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GENERAL - New South Wales

Rainfall during the early summer months was sufficient to ease the drought conditions and improve the pastoral outlook. However, crop prospects remain poor and wool deliveries so far this season have been relatively light.

Statistics for September and October show some easing in the demand for labour for manufacturing and building but on the whole the number of registered vacancies remains well ahead of applicants for jobs. Production of some types of building materials and consumer durables in recent months was below last year's level and there were also relative falls in home building and new motor vehicle registrations, while other indicators such as steel production and retail turnovers show a diminishing rate of growth.

However, while the current level and growth of economic activity might not quite measure up to last year's standard, it must be remembered that 1964 represented in many ways a record year of economic activity which fully extended the employment of resources and thus reduced the scope for further rapid growth.

## EMPLOYMENT (see also graph p. 174)

While practically all available labour resources remain employed, statistics for September and October indicate some easing in the demand for additional labour.

The number of wage and salary earners in civilian employment in New South Wales (excluding rural workers and private domestics) rose by 4,300 in September 1965, which is slightly less than the average rise of 5,000 in that month during the three preceding years. The total of 1,392,500 in September, 1965 was 3.1 per cent. more than in September, 1964 as against a rise of 4.3 per cent. in the preceding year. The rates of increase recorded for the major industry groups in the 1964-65 period ranged from between 1 and 2 per cent. for the manufacturing, building and retail trade groups to between 3½ and 6 per cent. for transport, wholesale trade and the services groups.

Employment in the other States continues to rise a little faster than in New South Wales, and the Australian total increased by 3.6 per cent. to 3.61 mill. between September, 1964 and 1965.

## WAGE AND SALARY EARNERS IN CIVILIAN EMPLOYMENT (Excl. Rural Workers &amp; Private Domestics)

	August 1964	September 1964	August 1965	September 1965	% Rise, Year end. Sept.		
					1963	1964	1965
<b>NEW SOUTH WALES</b>							
Manufacturing	479,500	482,200	491,400	492,200	1.8	4.8	2.1
Building & Construction	112,300	112,500	114,700	114,600	3.1	2.8	1.9
Transport & Communication	119,300	119,700	122,700	123,900	1.0	3.5	3.5
Retail Trade	148,200	148,800	148,800	150,500	4.9	3.7	1.1
Wholesale Trade & Finance	143,600	144,000	149,300	149,100	2.8	3.9	3.5
Community & Business Services	231,600	233,200	245,500	246,500	4.9	5.5	5.7
Other Industries	110,400	110,300	115,800	115,700	1.9	3.3	4.9
TOTAL : Males	950,700	953,200	974,500	975,800	2.5	3.7	2.4
Females	394,200	397,500	413,700	416,700	3.5	5.9	4.8
New South Wales: Persons	1,344,900	1,350,700	1,388,200	1,392,500	2.8	4.3	3.1
Other States: Persons	2,129,500	2,138,200	2,218,800	2,221,100	3.7	4.5	3.8
A u s t r a l i a	3,474,400	3,488,900	3,607,000	3,613,600	3.4	4.4	3.6

A monthly survey of privately-owned factories (by the Department of Labour and National Service and the Commonwealth Statistician) showed a steady fall in their employment from 267,100 in March 1965 to 263,000 in September with a minor change to 263,100 in October. Some winter slackness in this series has also been observed in earlier years, but has usually been overcome by October. The 1965 figure for October was about the same as a year earlier, if a strike affecting 1,700 workers in the motor industry in 1964 is taken into account. For the month of October, 1965 a slackening in demand was reported mainly from the motor and electrical industries while the food industries recorded a seasonal rise in their staffs.

## EMPLOYMENT IN LARGER PRIVATE FACTORIES - New South Wales

	Build'g Mat'l's	Basic Metals	Transport Equipment	Other Metal	Chem- icals	Clothing Textiles	Food	Others	Total		
									Males	Females	Persons
Sept. 1963	18,800	46,700	22,800	58,600	14,000	31,900	24,000	31,600	188,200	60,200	248,300
Oct. 1963	18,900	46,800	22,800	59,000	14,000	32,000	24,900	31,800	189,000	61,200	250,200
August 1964	19,200	48,700	24,100	62,800	14,400	33,000	24,900	33,100	196,200	64,000	260,200
Sept. 1964	19,200	48,700	24,100	63,400	14,500	33,000	25,200	33,300	196,500	64,900	261,400
Oct. 1964	19,300	48,800	22,400x	63,800	14,500	33,100	25,900	33,400	195,300x	65,900	261,200
July 1965	19,600	48,900	24,700	64,200	14,800	32,700	25,400	33,400	198,100	65,600	263,700
August 1965	19,500	48,800	24,500	63,600	15,000	32,700	25,600	33,500	197,700	65,500	263,200
Sept. 1965	19,500	48,900	24,200	63,600	15,000	32,800	25,600	33,300	197,200	65,800	263,000
Oct. 1965	19,600	48,900	23,900	63,600	14,800	32,800	26,300	33,200	197,100	66,000	263,100

x Affected by industrial dispute involving 1,700 men

Commonwealth Employment Service reports for New South Wales also show some slackening in labour demand during October, 1965 when the number of unplaced applicants rose by 400 to 14,100, giving a total a little higher than at this time of 1964 (13,300) or 1960 (11,600). However unemployment measured by the number of persons on Unemployment Benefit at 3,800 at the end of October, 1965 remains relatively low, while the number of unfilled vacancies continues to rise (largely for juniors in October) and at 22,900 in the 1965 month was well above the 18,900 recorded a year earlier.

It is expected that the number of school leavers in the State in 1965 will be substantially more than in 1964 (preliminary estimate for 1965 is 75,000 as against 60,000 in 1964) so that there should be a greater supply of juniors available for the work force at the end of this year.

COMMONWEALTH EMPLOYMENT SERVICE - New South Wales

		1960	1961	1964		1965			
		Oct.	Oct.	Sept.	Oct.	July	Sept.	Oct.	
<u>UNPLACED APPLICANTS:</u>	Under 21	Males	1,500	4,400	1,500	1,600	2,200	1,700	1,900
		Females	2,100	4,400	3,500	3,800	3,500	3,100	3,400
	Over 21	Males	4,900	20,200	4,600	4,800	6,600	5,600	5,700
		Females	3,100	6,400	3,200	3,100	3,800	3,200	3,100
	Metropolitan	Persons	4,500	21,400	4,900	5,600	7,000	5,700	6,100
	Rest of State	"	7,100	14,000	7,900	7,700	9,100	8,000	8,000
	All Applicants	Males	6,400	24,600	6,100	6,400x	8,800	7,400	7,600
		Females	5,200	10,800	6,700	6,900	7,300	6,300	6,500
		Persons	11,600	35,400	12,800	13,300x	16,100	13,700	14,100
<u>ON UNEMPLOYMENT BENEFIT:</u>		Males	1,900	13,400	2,000	1,700	2,500	2,200	2,000
		Females	1,300	4,300	2,500	2,200	2,300	2,000	1,800
		Persons	3,200	17,700	4,500	3,900	4,800	4,200	3,800
<u>UNFILLED VACANCIES:</u>		Males	14,100	6,000	12,200	13,200	10,300	11,700	14,700
		Females	8,600	4,000	5,500	5,700	5,600	6,900	8,300
		Persons	22,700	10,000	17,700	18,900	15,900	18,600	22,900

x Affected by industrial dispute at General Motors Holden works

Apart from New South Wales, the number of unplaced applicants rose also in Queensland and South Australia during October, 1965. The Commonwealth total of 36,400 was 1,100 less than a year earlier when it had been raised by the temporary closure of the G.M.H. plants. However, the 1965 figure remains less than one per cent. of the estimated total work force, while the number of persons on Unemployment Benefit in Australia fell below 10,000 for the first time in nine years.

REGISTRATIONS WITH COMMONWEALTH EMPLOYMENT SERVICE - Australia

		1960	1961	1964		1965		
		Oct.	Oct.	Sept.	Oct.	July	Sept.	Oct.
<u>UNPLACED APPLICANTS:</u>	Males	20,300	69,800	18,000	20,500x	22,400	19,300	19,600
	Females	14,100	26,800	17,200	17,000	18,600	16,300	16,800
	Persons	34,400	96,600	35,200	37,500x	41,000	35,600	36,400
<u>ON UNEMPLOYMENT BENEFIT:</u>	Persons	10,400	48,500	12,600	11,200	12,100	10,000	9,600
<u>UNFILLED VACANCIES:</u>	Persons	49,100	21,000	51,200	57,000	44,400	52,900	59,300

x Affected by industrial dispute at General Motors Holden plants.

The Australian population has been growing at an annual rate of about 2 per cent. during recent years. However the natural increase component has been slowing down since 1961 and this decline has been compensated by an increase in net migration.

The decline in natural increase has resulted partly from a continuous downward movement in births from a peak of 238,400 in 1961-62 to 224,100 in 1964-65. This movement reflects a reduction in fertility. The "net reproduction rate" for females declined from 1.66 in 1961 to 1.47 in 1964, but remains well above the level of pre-war and early post-war years.

Concurrent with the fall in births there has been an extended rise in the number of deaths in Australia mainly due to an "ageing" of the population. The number of deaths increased from 88,200 in 1959-60 to 100,600 in 1964-65, the crude death rate increasing from 8.47 per 1,000 of mean population in 1961 to 9.03 in 1964.

The combined effect of both movements has been an appreciable fall in natural increase from a peak of 149,000 in 1960-61 (14.34 per 1,000 mean population) to 123,400 in 1964-65 (10.97 per 1,000).

Net migration into Australia fell during the recession year 1961-62 to 48,400 (compared with 85,200 in the previous year) and then rose to 100,600 in 1964-65 which is the highest for fourteen years. Net migration as a proportion of the total population increase in Australia has risen from 25% in 1961-62 to 45% in 1964-65.

New South Wales has a lower rate of natural increase than any of the other states, with the lowest birth rate and the highest death rate (partly due to a relatively "old" population structure). The natural increase has fallen from a peak of 50,900 in 1961-62 to 38,800 in 1964-65. The crude birth rate (i.e., per 1,000 of the mean population) has fallen from 21.5 in 1962 to 19.5 in 1964 and between the same two calendar years the crude death rate has increased from 9.3 to 9.6 per 1,000.

The decline in natural increase in N.S.W. has been more than offset by an increase in net migration which followed the Australian aggregate pattern, rising from a relatively low 8,800 in 1961-62 to a record 37,100 in 1964-65.

#### POPULATION GROWTH - PERSONS - YEAR ENDED JUNE

	NEW SOUTH WALES			AUSTRALIA		NEW SOUTH WALES as Percent. of Australia		
	1962-63	1963-64	1964-65	1963-64	1964-65	1962-63	1963-64	1964-65
Births	83,900	82,800	78,200	232,600	224,100	35.8	35.6	34.9
Deaths	36,900	38,300	39,300	97,700	100,600	39.6	39.2	39.1
Natural Increase	47,000	44,500	38,800	134,900	123,400	33.2	33.0	31.5
Net Migration	24,900	23,600	37,100	84,400	100,600	35.7	28.0	36.9
Total Increase	71,900	68,100	75,900	219,300	224,000	34.1	31.1	33.9
Ratio (per cent.) to Total Population at Beginning of Year								
Births	2.11	2.05	1.90	2.13	2.01			
Deaths	0.93	0.95	0.96	0.89	0.90			
Natural Increase	1.18	1.10	0.94	1.24	1.11			
Net Migration	0.63	0.58	0.90	0.77	0.90			
Total Increase	1.81	1.68	1.84	2.01	2.01			

The annual rate of growth of the Australian population, which had declined from an average of 2.26 per cent. for the years 1954 to 1961 to 1.9 per cent. during 1961-62, has been close to 2 per cent. during each of the following three years ended June. The rate of growth of the N.S.W. population has been less than that of the Australian total for many years (declining from an average of 1.9 per cent. for the years 1954 to 1961 to 1.7 per cent. during 1963-64 and recovering slightly to 1.8 per cent. during 1964-65) and consequently the proportion of the Australian population living in N.S.W. at June has declined from 39.4% in 1947 and 38.1% in 1954 to 36.9% in 1965.

During 1964-65 by far the fastest rates of population growth continued to occur in the two territories (N.T. and A.C.T.) which together account for only slightly over 1% of the total population and to a lesser extent in Victoria and South Australia which have gained relatively more from migration than the other states.

## POPULATION - Australia - Persons

POPULATION	N.S.W.	VIC.	OLD.	S.A.	W.A.	TAS.	N.T.	A.C.T.	AUSTRALIA
June 1963	4,048,600	3,055,700	1,566,200	1,009,000	772,500	361,300	29,400	73,500	10,916,200
June 1964	4,116,700	3,131,000	1,589,000	1,031,600	789,900	364,600	32,300	80,400	11,135,500
June 1965	4,192,600	3,208,100	1,610,700	1,054,200	804,500	366,000	34,800	88,600	11,359,500

## AVERAGE ANNUAL RATE OF INCREASE - Percent.

1947-1954	1.98	2.56	2.53	3.05	3.51	2.65	6.12	8.70	2.46
1954-1961	1.93	2.57	2.04	2.83	2.03	1.85	7.43	9.93	2.26
1962-1963	1.81	2.15	1.53	1.98	2.39	1.23	5.88	11.81	1.97
1963-1964	1.68	2.46	1.46	2.24	2.25	0.91	9.86	9.39	2.01
1964-1965	1.84	2.46	1.36	2.19	1.84	0.40	7.69	10.15	2.01

## PERCENT. AUSTRALIAN TOTAL POPULATION

June 1947	39.4	27.1	14.6	8.6	6.6	3.4	.1	.2	100%
June 1954	38.1	27.3	14.7	8.9	7.1	3.4	.2	.3	100%
June 1964	37.0	28.1	14.3	9.2	7.1	3.3	.3	.7	100%
June 1965	36.9	28.2	14.2	9.3	7.1	3.2	.3	.8	100%

## BUILDING APPROVALS - New South Wales (see also graph p. 175)

Comparing the four months ended October of 1964 and 1965, the total value of approvals for building in New South Wales rose by 6.4 per cent. to £110.3m. The value of dwelling approvals, which represents over one half of the total, fell by 6 per cent. to £59.7m. for the period, but increases were recorded for all other classes of building, particularly educational (up 54 per cent.) and shop, office and bank building (up 38 per cent.).

The number of houses and flats approved has fallen steadily in recent months, and the total of 3,000 approvals for the month of October was 20 per cent. less than in October, 1964 (3,800). For the period of four months ended October, the total number of approvals was down by 14 per cent. on last year's level, with a decline of 7 per cent. in houses and a sharp fall of 25 per cent. in flats approved.

## NEW BUILDING APPROVED New South Wales

	1964		1965		July to October			
	Sept.	Oct.	Sept.	Oct.	1962	1963	1964	1965
<b>NUMBER OF DWELLINGS</b>								
Houses	2,800	2,800	2,300	2,100	9,800	10,300	10,400	9,600
Flats	1,500	1,500	1,300	900	2,400	3,900	6,400	4,800
Houses & Flats: Private	3,900	3,100	3,000	2,700	10,600	12,200	14,500	12,600
Gov't.	400	700	600	300	1,600	2,000	2,300	1,800
<b>TOTAL</b>	<b>4,300</b>	<b>3,800</b>	<b>3,600</b>	<b>3,000</b>	<b>12,200</b>	<b>14,200</b>	<b>16,800</b>	<b>14,400</b>
<b>VALUE OF APPROVALS, £mill.</b>								
Dwellings	16.2	14.4	15.2	12.6	44.9	52.1	63.4	59.7
Shops, Offices, Banks	1.2	1.2	3.8	4.8	15.0	19.5	9.0	12.6
Factories	2.5	1.9	3.0	1.9	7.7	5.5	8.5	8.8
Educational	1.9	2.3	1.7	2.1	5.3	9.0	7.5	11.6
Other Building	4.3	2.6	7.0	4.4	15.6	11.4	15.3	17.6
<b>All Building</b>	<b>26.1</b>	<b>22.4</b>	<b>30.8</b>	<b>25.7</b>	<b>88.5</b>	<b>97.5</b>	<b>103.7</b>	<b>110.3</b>

## PRODUCTION - FACTORY AND MINES - New South Wales (see also graph p. 175)

For most of the principal factory products listed below, New South Wales production during the four months from July to October, 1965 was more than during the immediately preceding four months, but less than in July to October 1964. Notable falls in production over the year occurred for cement, paints and various types of building fittings and consumer durables, while the rate of expansion in steel production and electricity generation slowed down considerably.

## FACTORY PRODUCTION - New South Wales - July to October 1965 and Earlier Periods

		Four Months Ended				Percent. Rise over Previous Year				
		June	Oct.	June	Oct.	Four Months ended October				
		1964		1965		1961	1962	1963	1964	1965
Electricity	m.kWh	5,021	5,232	5,333	5,465	4.6	18.7	8.8	11.7	4.5
Gas	m.therm	41.4	48.0	44.5	47.7	-0.2	-0.2	-0.5	3.2	-0.7
Ingot Steel	000 tons	1,591	1,739	1,562	1,783	7.9	3.3	13.6	8.8	2.5
Cement	000 tons	428	456	466	433	-7.6	1.9	12.1	6.5	-2.9
Bricks	million	178	193	202	202	-4.9	7.4	1.7	11.9	4.2
Paints	m.gall.	2.6	3.1	3.0	3.1	-5.0	6.0	5.9	11.0	-0.8
Electric Stoves	000	23.8	29.4	25.2	29.1	-30.7	65.1	4.2	30.1	-1.0
Hotwater Systems	000	27.4	34.8	33.8	34.5	-4.0	-0.8	18.0	22.5	-0.8
Refrigerators (Dom.)	000	23.9	37.5	29.3	34.5	-35.3	15.7	2.5	-7.4	-8.0
Washing Machines	000	40.6	52.2	52.1	54.6	...	-5.2	16.6	25.8	4.4
Radio Sets	000	76	109	76	88	-29.2	27.4	-6.5	9.3	-9.0
Television Sets	000	73	79	71	72	-53.8	26.5	-12.4	23.7	-9.3
Electric Motors	000	553	662	608	613	-27.1	21.5	15.7	21.3	-7.3
Motor Bodies	000	48.8	44.7	45.7	39.6	-8.0	39.4	6.0	-5.5	-11.3
Flour	000 tons	207	186	187	178	-2.4	-5.9	9.6	0.4	-4.3
Beer	m. gall.	33.7	37.2	37.5	38.0	1.6	5.8	2.7	6.4	1.9

Black coal production in New South Wales during the first nine months of 1965 at 17.7 million tons was about 14 per cent. more than during this period of 1964.

Comparing the nine-months period of 1964 and 1965, mine production of lead, zinc, silver and gold remained fairly steady, but there was a strong upward movement in copper production (up 30 per cent. to 3579 tons) and a very sharp rise in tin production (840 tons in 1965 compared with 340 tons for this period of 1964).

## MINERAL PRODUCTION - New South Wales - Mineral Contents Produced

January-September	COAL	TIN	LEAD	ZINC	COPPER	SILVER	GOLD	CADMIUM
	000tons	tons	000 tons		tons	000 oz.		tons
1960	13,216	172	175	171	2616	6369	10	656
1961	14,107	129	166	182	2674	5838	9	645
1962	14,129	141	224	186	2914	7575	9	685
1963	13,835	167	245	200	2958	8428	9	778
1964	15,496	340	222	189	2759	7987	8	731
1965	17,711	840	217	198	3579	7879	8	739

Registrations of new motor vehicles in Australia dropped rapidly between August and October, 1965, and at 28,900 for the latter month they were the lowest since January and 20.6 per cent. less than during October, 1964. Comparing 1965 with 1964 a large rise in August registrations was offset by a fall in September and the number of registrations during the September quarter was almost static at about 109,000. This compares with an increase of 3.6 per cent. for the June quarter and 9.8 per cent. for the March quarter.

Similar downward trends applied to registrations in New South Wales which accounts for about 36 per cent. of the Australian total. In this State, registrations during October, at 10,500, were 22.1 per cent. less than in this month of 1964 compared with virtually unchanged levels for the September and the June quarters and a 14 per cent. increase for the March quarter.

#### REGISTRATIONS OF NEW MOTOR VEHICLES (Excl. Motor Cycles, Tractors, Trailers) - Thousands

	New South Wales				Australia			
	1962	1963	1964	1965	1962	1963	1964	1965
January-June	56.8	62.3	69.4	74.0	145.6	167.3	193.3	205.7
July	11.3	12.9	14.2	14.2	28.9	35.9	38.3	37.7
August	11.6	12.5	13.4	15.5	30.5	33.4	36.1	39.9
September	10.4	12.5	12.6	10.6	27.5	34.3	35.4	31.6
October	11.9	12.7	13.5	10.5	31.7	36.2	36.4	28.9
Jan.-October								
Cars	67.4	73.0	78.2	81.5	168.1	192.4	208.1	217.8
Station Wagons	17.9	20.8	23.1	21.7	49.0	59.9	68.4	63.4
Others	16.7	19.1	21.8	21.5	47.1	54.8	63.0	62.6
Total	102.0	112.9	123.1	124.7	264.2	307.1	339.5	343.8

#### NEW SOUTH WALES RAILWAYS

For the quarter ended September passenger traffic on the State railways declined from 68 million passenger journeys in 1963 to 67 mill. in 1964 and 64 mill. in 1965. However, the tonnage of goods carried continues to increase at a considerable rate - by 6½ per cent. between the June quarters and nearly 9 per cent. between the September quarters of 1964 and 1965. Comparing the September quarters of these two years, gross earnings rose by 2.0 per cent. while working expenses fell by 1.2 per cent. so that the surplus on working account rose from £4.4 million to £5½ million.

#### N.S.W. RAILWAYS - September Quarter

		1961	1962	1963	1964	1965
Passenger Journeys	million	64.0	64.4	67.6	66.7	64.4
Goods (excl. livestock)	mill. tons	6.03	5.92	6.27	6.80	7.41
Gross Earnings	£ million	22.18	21.87	24.19	26.22	26.75
Working Expenses	"	20.13	19.32	19.85	21.78	21.51
Surplus on Working Account	"	2.05	2.55	4.34	4.44	5.25

Comparing the years 1963-64 and 1964-65, Gross Earnings of the State Railways (including a contribution from Consolidated Revenue of £800,000 in each year) increased by £5.4 million (or about 5 per cent.) and Working Expenses (including transfers to the Renewals and to the Special Reserve Funds) increased by £4.9 million (or 5½ per cent.). As a result, the Surplus on Working Account rose by £472,000 to £14.6 million. However, Capital Debt Charges also increased (by £598,000 or about 4 per cent.) and the excess of total revenue over total expenditure fell from £213,000 in 1963-64 to £88,000 in 1964-65. This compares with a near balance in 1962-63 and with an excess of expenditure in previous years.

The Budget for 1965-66 anticipates slightly lower revenue to be more than compensated by a fall in working expenses. However, because of increased capital charges, a total deficit of £109,000 is expected.

#### NEW SOUTH WALES RAILWAYS - Year ended 30th June

	1958-59	62-63	63-64	64-65	65-66 (Budget)
Gross Earnings (incl. Govt. Contribution)	£mill	77.7	92.8	102.8	108.2
Working Expenses (incl. renewals etc.)	"	70.3	79.3	88.7	93.6
Surplus on Working Account	"	7.4	13.5	14.1	14.6
Capital Charges	"	13.8	13.5	13.9	14.5
Surplus (+) or Deficit (-)	"	6.4	...	+0.2	+0.1
					-0.1

NEW SOUTH WALES - Government Transport Services

Passenger traffic on the Sydney and Newcastle Government bus services continues to fall but at a declining rate. Passenger journeys in 1964-65 totalled 261.6 mill. or 600,000 less than in 1963-64, as against decreases of 3.4 mill., 4.6 mill. and 5 mill. respectively in the three previous years. The current figure is about one half of the traffic of the early post-war period (but some of that fall is due to re-adjustment of routes). Gross earnings at £12.4m. in 1964-65 were near the level of the two previous years but for 1965-66 a fall to £12.2m. is expected. Although staff was reduced during the year from 7,529 in June 1964 to 7,286 in June 1965, working expenses (about three quarters in the form of wages) continued to rise, from £13.2m. in 1963-64 to 13.4m. in 1964-65, with a further lift to £13.9m. expected for 1965-66. There has been little change in capital debt charges, and the net deficit for the services rose from £2.3m. in 1963-64 to £2.5m. in 1964-65 and is expected to reach £3.2m. in 1965-66.

GOVERNMENT BUS SERVICES - YEAR ENDED 30TH JUNE

		1958-59	62-63	63-64	64-65	65-66 (Budget)
Gross Earnings	£ million	13.26	12.39	12.40	12.37	12.15
Working Expenses	"	13.60	13.24	13.19	13.37	13.87
Deficit on Working Account	"	0.34	0.85	0.79	1.00	1.72
Capital Charges:Depreciation	"	0.69	0.71	0.65	0.63	0.59
Debt Charges	"	0.84	0.83	0.83	0.84	0.87
Net Deficit	"	1.87	2.40	2.27	2.47	3.18
Staff Employed, End of Year	Persons	9,513	7,862	7,529	7,286	n.a.
Passengers Carried	Mill. Persons	292.9	265.6	262.2	261.6	n.a.
Vehicle Mileage	Million	46.7	44.0	44.4	44.8	n.a.

The mileage travelled by Government Bus Services during the September quarter declined slightly between 1963, 1964 and 1965 for both Sydney and Newcastle. Gross earnings for this quarter have also fallen while working expenses have been steadier, and the working account deficit for Sydney and Newcastle for the September quarter has increased from £156,000 in 1963 to £279,000 in 1964 and £357,000 in 1965.

GOVERNMENT BUS SERVICES - Working Account - September Quarter

		1961	1962	1963	1964	1965
Gross Earnings	Sydney & Newcastle £000	3,130	3,120	3,167	3,112	3,002
Working Expenses	Sydney & Newcastle "	3,394	3,337	3,323	3,391	3,359
Excess of Expenses	Sydney "	242	193	127	241	306
	Newcastle "	22	24	29	38	51
	Total "	264	217	156	279	357
Bus Miles	Sydney (Thous.)	10,135	9,813	10,235	10,099	9,836
	Newcastle "	1,399	1,360	1,393	1,326	1,316

## PART II : FINANCE AND TRADE

## BANKING - General, Australia

The volume of money (defined as public holdings of cash and deposits with trading and savings banks) seasonally rose from £5,168m. in June 1965 to £5,229m. in September but, unlike earlier years, it remained below the March level of £5,244m. The annual rate of increase has slowed down from 13 per cent. for 1964 to 8 per cent. for June 1965 and 6 per cent. for September, 1965.

Most of the increase of recent years in the money supply has gone into interest-bearing accounts with the trading and savings banks, to be used largely for the provision of Government and other longer-term credit, and this type of investment was stimulated in 1964-65 by a rise in interest rates and extension of fixed deposit facilities. The more active portion of the money supply, which takes the form of cheque accounts with the banks and notes and coins held by the public, actually declined by 2 per cent. between September, 1964 and 1965.

## VOLUME OF MONEY - Australia (From Reserve Bank Bulletin)

Month	1962	1963	1964	1965	1962	1963	1964	1965
	Amount in £ mill.				Per cent. Rise on Previous Year			
December (previous year)	3,877	4,183	4,621	5,156	4.8	7.9	10.5	11.6
March	3,957	4,271	4,771	5,244	6.9	7.9	11.7	9.9
June	3,922	4,259	4,777	5,168	7.4	8.5	12.1	8.2
September	4,013	4,375	4,940	5,229	7.9	9.0	12.9	5.8
<b>DETAIL FOR SEPTEMBER</b>								
Deposits: Saving	1,806	2,042	2,321	2,502	11.2	13.1	13.7	17.8
"    Trading, Fixed	542	587	739	882	15.0	8.3	25.9	19.4
"    "    Other	1,254	1,335	1,464	1,437	1.1	6.5	9.7	-1.8
Notes & Coin Issued	411	411	416	407	2.0	..	1.2	-2.2

£ Excluding Government and inter-bank deposits

After nearly doubling from £495m. in September, 1961 to £837m. in September, 1964, Australia's International Reserves fell back by £207m. to £630m. in September, 1965. However, the restraint of the unfavourable balance of payments in 1964-65 was offset by a strong rise in trading bank advances (including a substantial portion in the form of term loans by the trading banks), in housing loans by the savings bank and in Rural Credit by the Reserve Bank. As in 1963-64, there was also a substantial rise in Government credit provided by the banking system, as shown by increased holdings of public securities by the Reserve Bank and the savings banks.

## MAJOR ASSETS OF THE AUSTRALIAN BANKING SYSTEM - As at September

	1962	1963	1964	1965	1962	1963	1964	1965
	£ million				Per cent. Annual Rise			
International Reserves	561	667	837	630	13.3	18.8	25.5	-24.7
Advances: Trading Banks	1165	1225	1326	1492				
Savings Banks	385	460	578	684				
Rural/Development Banks	69 1619	113 1798	90 1994	159 2335	4.9	11.1	10.9	17.1
Gov't. Sec. 's: Trading Banks	367	424	487	429				
"    Savings Banks	1258	1396	1546	1639	7.5	5.5	9.3	5.5
Reserve Bank	449 2074	368 2188	358 2391	454 2522				
	4254	4653	5222	3487	7.2	9.4	12.2	5.1

£ Including loans to short-term money market but excluding Government deposits with trading banks.

MAJOR TRADING BANKS - Australia

Total deposits with the major trading banks in Australia, after falling seasonably from £2450m. in March, 1965 to £2326m. in July, recovered to £2389m. by October and were then 5 per cent. above the level of October, 1964. Fixed deposits have risen continuously over the past year, and at £942m. in October, 1965 were £134m. (or 17 per cent.) higher than a year earlier; current non-interest bearing deposits are recovering from a large seasonal fall, but at £1295m. in October remained  $2\frac{1}{2}$  per cent. less than in October, 1964.

Trading bank advances receded from £1,337m. in July, 1965 to £1,326m. in September and returned to £1,339m. in October, which left then 11 per cent. higher than a year earlier, and the advances to deposits ratio of 56.1% in October, 1965 remained higher than at this time of recent years. Conversely, the liquid assets ratio of 23.1% in October, 1965 was less than usual for that month although Statutory Reserve requirements have been slightly eased in recent months.

MAJOR TRADING BANKS - Business within Australia

	1962	1963	1964		1965			
	Oct.	Oct.	July	Oct.	March	July	Sept.	Oct.
	£ million							
<u>DEPOSITS: Fixed</u>	581	641	758	808	872	905	930	942
Current: Interest Bearing	116	126	133	141	143	154	152	152
Other	1,169	1,241	1,304	1,327	1,435	1,267	1,271	1,295
<b>Total Deposits</b>	<b>1,866</b>	<b>2,008</b>	<b>2,195</b>	<b>2,276</b>	<b>2,450</b>	<b>2,326</b>	<b>2,353</b>	<b>2,389</b>
<u>ADVANCES: Term Loans</u>	6	35	62	72	82	89	91	92
Wool Buyers (temp.)	39	50	50	57	61	51	46	55
Other	1,007	1,015	1,072	1,077	1,056	1,197	1,188	1,192
<b>Total Advances</b>	<b>1,052</b>	<b>1,100</b>	<b>1,184</b>	<b>1,206</b>	<b>1,199</b>	<b>1,337</b>	<b>1,326</b>	<b>1,339</b>
Statutory Reserve Deposit	195	211	330	347	383	327	322	324
Government Securities	386	455	450	504	622	442	470	481
Cash Items	69	65	69	67	71	73	69	70
Ratio to Customers' Deposits - Percent.								
Advances	56.4	54.8	53.9	53.0	48.9	57.5	56.4	56.1
Statutory Reserve Deposits	10.5	10.5	15.0	15.3	15.6	14.1	13.7	13.6
Cash and Securities (LGS)	24.4	25.9	23.7	25.1	28.3	22.1	23.9	23.1
Fixed Deposits as % of Total	31.1	31.9	34.5	35.5	35.6	38.9	39.5	39.4

Overdraft limits for bank advances (other than those to wool buyers and term loans) have risen continuously during the current year, and reached a new peak of £1987m. in October. The ratio of limits used at 60% in October, 1965 remained comparatively high (56% in October, 1964 and 55% in 1963).

MAJOR TRADING BANKS: ADVANCES & LIMITS (Excl. Temporary Loans to Wool Buyers & Term Loans) £m.

	1960	1962	1963	1964		1965		
	Oct.	Oct.	Oct.	March	Oct.	March	Sept.	Oct.
Total Overdraft Limits (Second Wednesday)	1688	1759	1861	1880	1936	1940	1978	1987
Less: Advances Outstanding (Weekly Av.)	1060	1007	1015	969	1077	1056	1188	1192
"Unused Overdraft Limits" (Approx. Bal.)	628	752	846	911	859	884	790	795
Percent. of Limits Used (Approx.)	63%	57%	55%	51%	56%	54%	60%	60%

SAVINGS BANK DEPOSITS (See also graph p.175)

The increase in savings bank deposits during October 1965 of £7m. in New South Wales and £20m. in Australia was of the same magnitude as in October 1964. But the annual rate of increase in New South Wales at 7 percent. between October 1964 and 1965 was significantly less than the rate of 11-12 percent. in the three previous years (in Australia  $7\frac{1}{2}$  percent. in the 1964-65 period as against 12-13 percent. in the three previous years).

SAVINGS BANK DEPOSITS

	1963		1964		1965		October to October			
	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	61-62	62-63	63-64	64-65
	£ million						Percent. Increase in Year			
New South Wales	725	738	815	822	873	880	11.9	12.2	11.4	7.1
Other States	1317	1342	1507	1520	1624	1637	12.5	13.8	13.2	7.7
Australia	2043	2080	2322	2342	2497	2517	12.3	13.3	12.6	7.5

## PRICES - Australia (see also graph p. 175)

The upward trend in the Australian consumer and wholesale price series gained momentum during the first three quarters of 1965. Comparing the September quarters of 1964 and 1965 the Consumer Price Index (Six Capitals) rose by 3.9 per cent. (2.7 per cent. in the previous twelve months) and the Wholesale Price Index for basic materials and food stuffs rose by 4.6 per cent. (or twice as much as in the previous year). Import prices in both twelve month periods showed a more modest rise of 1.8 per cent. p.a., while a fall in export prices during 1964-65 was not arrested till September quarter, 1965 when the index stood at 6.7 per cent. below last year's level. In consequence, the terms of trade deteriorated during the 1964-65 period.

## PRICE INDEXES - Australia

QUARTER	CONSUMER	WHOLE- SALE	EXPORT	IMPORT	CONSUMER		WHOLESALE		EXPORT		IMPORT Year
					Quarter	Year	Quarter	Year	Quarter	Year	
					Base Year 1952 - 53 = 100					Percentage Change	
Sept. - 1961	125	107	75	109		+1.9		-7.7		+4.3	+0.9
1962	124	107	74	109		-0.4		-0.7		-1.7	...
1963	125	109	84	110		+0.7		+2.4		+13.6	1.1
Dec. 1964	130	110	83.5	111	+1.2		-1.2		-2.5		
Mar. 1965	131	111	79	112	+0.7		+0.3		-5.0		
June 1965	132	113	78	112	+0.9	+4.0	+1.8	+2.4	-1.3	-10.1	+1.7
Sept. 1965	133.5	117	80	113	+1.1	+3.9	+3.6	+4.6	+1.9	-6.7	+1.8

After a relatively stable period during the years 1961 to 1963, when quarterly changes were less than  $\frac{1}{2}$  per cent., the Consumer Price Index (Six Capitals) has since advanced by an average of 1 per cent. each quarter (from December quarter, 1964 onward the quarterly rates were 1.2, 0.7, 0.9, 1.1 per cent. The main factor in recent increases was the food component (with a weight of one third in the total index) which rose by  $2\frac{1}{2}$  per cent in September quarter, 1965 (mainly due to higher meat prices) and by  $6\frac{1}{2}$  per cent. between September quarter, 1964 and 1965. While meat alone accounted for 1.0 out of a rise of 1.4 index points in the aggregate "All Groups" index during September quarter, potatoes and the series for housing, household supplies and miscellaneous each accounted for a further 0.1 index point.

Over the year ended September increases in the housing series were of the order of  $3\frac{1}{2}$  per cent., in household supplies  $2\frac{1}{2}$  per cent., and in clothing x drapery 1 per cent. Per cent. increases in the aggregate index during the year in the capitals were: Perth 2.7, Adelaide 3.0, Sydney 3.5, Hobart 4.0, Melbourne 4.6 and Brisbane 4.8.

## CONSUMER PRICE INDEX - Base Year 1952-53 = 100 - Six Capital Cities

Quarter	Food	Clothing & Drapery	Housing	Household Supplies	Miscellaneous	All Groups
Index Weight 1960	32.1	16.9	12.6	14.5	23.9	100
June 1961	129.4	112.4	148.0	111.9	127.7	125.0
September 1962	124.2	113.0	153.3	112.8	128.4	124.3
September 1963	125.0	113.7	157.9	110.6	129.7	125.1
September 1964	130.7	115.0	163.0	110.7	133.1	128.5
December 1964	132.1	115.4	164.4	111.3	136.5	130.0
March 1965	133.1	115.8	165.3	112.5	137.3	130.9
June 1965	135.9	116.3	167.2	112.9	137.3	132.1
September 1965	139.3	116.3	168.6	113.4	137.8	133.5

The Australian Wholesale Price Index for basic materials and foodstuffs (1936-37 to 1938-39 = 100) which had been at about 352 in June and December, 1964 and March, 1965 rose to 362 in June, 376 in August and was 375 in September. The main rise during 1965 was in the series for foodstuffs and tobacco (which earns a weight of 56% in the total index) supplemented in more recent months by rises in the series for oils, textiles, rubber and hides, and extending to both local manufactured and imported goods, as included in the index.

## WHOLESALE PRICE INDEX - Australia - Base 1936-37 to 1938-39 = 100

MONTH	Metals	Building	Oils,	Chem-	Tex-	Rubber	All Ba-	Food,	Mainly	TOTAL	
	and Coal	Mate- rials	Fats, Waxes	icals	tilles	and Hides	sic Ma- terials	Tob- acco	Imp- ort		
Index Weight in 1960	17	10	8	4	3	2	44	56	23	77	100
August 1960	401	439	225	329	366	365	347	392	280	410	372
Nov. 1961	393	439	211	333	385	297	339	322	272	354	330
June 1964	382	486	205	284	463	320	345	365	275	386	353
Dec. 1964	385	505	207	285	422	251	344	359	277	383	352
March 1965	396	505	208	288	398	237	346	358	275	385	352
June 1965	396	505	207	288	403	250	346	375	275	398	362
Sept. 1965	393	509	220	288	412	282	352	394	281	414	375

The Australian Export Price Index (1959-60 = 100) declined steadily from 120 in March, 1964 to 100 in March, 1965 and after remaining near this 1959-60 par in June quarter it recovered to 103 in September, 1965. Wool and sugar price movements were major factors, first in the decline and later in the mild recovery of the index. During 1965 the series for dairy produce and for metals and coal have tended downward while cereals and dried and canned foods remained steady and meat export prices rose.

## EXPORT PRICE INDEX - Australia - Base Year 1959-60 = 100

Month	Wool	Meats	Dairy Produce	Cereals	Dried/Canned Fruits	Sugar	Hides, Tallow	Metals, Coal	Gold	ALL GROUPS
Index Weight	51	10	6 $\frac{1}{2}$	12 $\frac{1}{2}$	2 $\frac{1}{2}$	4	1	10 $\frac{1}{2}$	2	100
June 1962	99	97	86	112	92	87	78	90	100	98
June 1963	115	102	93	103	89	165	68	95	100	109
March 1964	130	106	91	109	98	192	74	103	100	120
June 1964	112	110	92	108	101	146	81	111	100	110
March 1965	94	110	95	104	100	77	94	129	101	100
June 1965	96	110	91	104	100	84	99	117	101	100
Sept. 1965p	99	115	89	105	101	95	101	118	101	103

p = preliminary

The index of Australia's Terms of Trade, which is the ratio of export to import prices rose to 111 in 1963-64 and then declined to 96 in June quarter, 1965 under the impact of falling export prices; the subsequent recovery in the latter was fractionally more than the continuing gradual rise in import prices, and for September quarter the terms of trade were back to 97.

	Export Price Index	Import Price Index	"Terms of Trade"
Base year 1959-60	100	100	100
1960-61	95	101	94
1961-62	96	101	95
1962-63	101	101	100
1963-64	114	103	111
1964-65 (Preliminary)	105	104	101
1965 March Qtr. "	102	104	98
June Qtr. "	100	105	96
Sept. Qtr. "	102	106	97

## SYDNEY STOCK EXCHANGE

After the decline of earlier months share prices steadied in October and early November, 1965 when they recovered to the level of June. However, the market weakened again in the third week of November.

## SYDNEY STOCK EXCHANGE - INDUSTRIAL SHARE PRICE INDEX - 1957-58 = 100

	Year 1962-3	Year 1963-4	Year 1964-5	1964	1965						
					Dec.	June	July	Aug.	Sept.	Oct.	Nov.
Peak of Period	164	194	198	196	175	172	174	171	173	173x	
Low of Period	145	165	162	188	162	164	171	163	164	164	169x
Average	155	182	183	191	168	168	172	166	168		

x Up to 18th November

## NEW SOUTH WALES GOVERNMENT ACCOUNTS

Comparing the four months ended October of 1964 and 1965, receipts of the Consolidated Revenue Fund rose by about 12 per cent. to £76.1 mill., while expenditure from this account rose by 8 per cent. to £80.9 mill. The increase in revenue mainly reflects a change in the method of payment of Commonwealth Tax Reimbursement Grants, whereby payments are now spread evenly throughout the year; other receipts, from State taxes and other sources, were slightly less than for the same period of 1964.

The working surplus of the business undertakings for the four months increased from £5.3 mill. in 1964 to £6.7 mill. in 1965, due mainly to an 11 per cent. rise in railway revenue; the overall result in the Government Accounts for the July-October period was a surplus of £2.0m. in 1965 as against a deficit of £1.8m. in 1964.

Gross loan expenditure on capital works during the period was £24 mill. compared with £20 mill. for 1964 and around £17 mill. for previous years.

## NEW SOUTH WALES GOVERNMENT ACCOUNTS - £ million

REVENUE	July-October				EXPENDITURE	July-October			
	1962	1963	1964	1965		1962	1963	1964	1965
Commonwealth General Grant	28.7	30.9	30.8	42.0	Net Debt Charges	15.5	15.6	16.8	16.3
State Taxation	16.2	20.1	24.3	21.6	Education, Health	32.3	34.2	36.5	40.5
Other Governmental	13.1	13.6	12.7	12.5	Other Departmental	18.1	20.4	21.5	24.1
Total Consolidated Revenue	58.0	64.6	67.8	76.1	Total of above	65.9	70.2	74.9	80.9
Railways	28.9	32.5	33.0	36.5	Railways	25.4	26.4	28.3	30.4
Omnibuses	3.9	4.0	3.8	3.5	Omnibuses	4.4	4.3	4.3	4.4
Harbour Services	2.3	2.5	2.8	3.0	Harbour Services	1.1	1.2	1.6	1.5
Total Business	35.1	39.0	39.5	43.0	Total Business	30.9	31.9	34.2	36.3
TOTAL REVENUE	93.1	103.6	107.3	119.1	TOTAL EXPENDITURE	96.8	102.1	109.1	117.2
					GROSS LOAN EXPENDITURE ON WORKS AND SERVICES	17.3	17.0	20.0	24.0

RETAIL TRADE (see also graph p.175)

The value of retail sales (excluding motor vehicles etc.) in Australia during the September quarter increased by 4.3 per cent. between 1964 and 1965. This growth rate is substantially lower than the 7.3 per cent. recorded for the year ended June, 1965, when there had been marked increases in the Food and Groceries group.

The corresponding figures for sales in New South Wales (September Qtr., 1965, not yet available) showed an increase of 6.5 per cent. for the year 1964-65, although the rate had fallen slightly in the latter half of the year (5.8 per cent. in June Qtr., 1965).

Statistics issued by the Retail Traders Association show a strong upward movement in the turnovers of suburban Sydney stores during recent months, but sales of City stores have not increased as steadily, while Newcastle figures for August and September were below last year's levels.

## VALUE OF RETAIL SALES - Percent. Rise as compared with corresponding periods of previous year

		1964										1965										
		Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	
Sales (excl. motor group) N.S.W.		7.9%				5.7																
Australia		12.7	4.4	4.0	11.3	9.3	4.3	6.8	4.1	4.7	4.2											
Retail Traders Assoc'n.	Sydney City	4.2	1.0	-2.9	6.5	0.9	-4.8	6.6	3.7	2.4	6.6											
	Suburbs	7.2	6.7	4.5	10.6	7.5	4.7	11.4	10.3	7.0	9.8											
	Newcastle	11.0	16.5	-4.8	13.2	6.4	61.	2.1	4.0	-5.3	-2.2											

∅ Quarter

INSTALMENT CREDIT FOR RETAIL SALES

(Figures for Amount Financed exclude, but Balances Outstanding include, interest, hiring charges, insurance, etc.)

The amount of instalment credit financed by non-retail finance businesses in New South Wales fell from £12.5m. in August, 1965 to £11.1m. in September, and similar reductions in the other States reduced the Australian total from £31.6m. to £28.6m. This was also less than in September, 1964 (£11.8m. and £30.8m. respectively), although the total for the September quarter remained slightly higher in 1965 than in 1964.

Balances outstanding with non-retail finance businesses continue to rise, but at a slower rate than last year. For October, 1965 they were estimated at £539m. in Australia or 9 percent. more than in October, 1964, as against increases of 12 percent. in each of the two preceding years.

INSTALMENT CREDIT FOR RETAIL SALES - £ million	1 9 6 3		1 9 6 4		1 9 6 5	
	Jan.-June	Sept. Qtr.	Jan.-June	Sept. Qtr.	Jan.-June	Sept. Qtr.
<u>Non-Retail Finance Businesses:</u>						
N.S.W. - Amount Financed	55.6	32.1	59.3	34.6	63.8	34.8
Balance Outstanding $\Delta$	167.3	173.1	182.8	188.7	201.3	205.8
Australia - Amount Financed	140.2	81.9	152.8	88.0	168.7	89.7
Balance Outstanding $\Delta$	415.8	434.2	468.5	484.4	524.6	537.7
<u>All Business (incl. retailers)</u>						
Australia Balance Outstg. $\Delta$	628.4	642.5	677.3	689.3	722.1	n.a.

$\Delta$  At end of period

## PART III : RURAL INDUSTRIES

## THE SEASON - New South Wales (see also graph p. 174)

Conditions during the first half of October continued dry and warm throughout the State and further deterioration in pastures was reported. However, good rains then fell over much of the State, and although they have come too late to benefit crops in the north-west and central-west, they should ensure good summer pastures in the southern part of the State (except for the western Riverina). Surface water supplies are still very low in the west and north-west and further good rain is needed.

RAINFALL INDEX - New South Wales, "Normal Rainfall" for each Period = 100

	S H E E P D I S T R I C T S					W H E A T D I S T R I C T S				C O A S T A L D A I R Y I N G			
	N	C	S	W	Total	N	C	S	Total	N	C	S	Total
1965: Jan.	43	8	2	16	17	38	6	2	7	52	41	21	45
	36	10	7	10	16	29	8	4	9	54	40	23	46
	18	14	7	8	12	16	17	6	10	16	7	4	12
	51	53	86	34	61	53	59	88	76	76	64	81	74
	19	45	71	44	46	17	54	80	65	38	35	47	39
	33	29	41	44	35	29	27	43	37	153	90	62	125
	77	52	53	44	58	29	54	56	52	263	118	48	197
	69	81	150	120	104	72	90	148	123	115	41	80	91
	80	87	83	58	81	89	77	80	81	56	66	66	60
	86	185	141	81	131	92	190	129	143	75	175	253	123

## DAIRYING

Wholemilk production in New South Wales during 1964-65 at 298 million gallons was 7.6 per cent. less than in 1963-64 and the lowest since 1957-58. However, production during the four months ended October at 96.6 million gallons in 1965 was only 3½ per cent. less than in 1964 and equal to the level for this period of 1962. The intake by the Milk Board (for fresh milk purposes) continued to increase in 1965 and so less milk was available for the manufacture of butter and cheese or for other uses.

## W H O L E M I L K - Production and Use - New South Wales - Million Gallons

		1958	1959	1960	1961	1962	1963	1964	1965
		288.6	327.7	348.4	319.4	344.7	324.1	322.5	297.9
		96.7	107.0	98.8	103.9	96.6	98.0	100.1	96.6
For Butter		47.4	56.5	42.6	51.3	46.4	46.2	48.1	45.8
Cheese		3.3	2.8	3.2	3.8	3.2	3.7	3.1	2.6
Other Processed		5.4	5.3	5.5	6.2	5.2	5.5	5.4	5.3
Milk Board		26.2	27.3	27.7	30.0	30.3	30.5	32.0	32.7
Other Uses		14.4	15.1	14.8	12.6	11.5	12.1	11.5	10.2

The table below incorporates some revisions to a similar table from the last issue of the Digest. It shows the absolute and relative decline in Australian butter consumption in recent years and an increase in the use of margarine.

## PRODUCTION AND USE OF BUTTER AND MARGARINE IN AUSTRALIA

	Year, or average of 3 years, ended June									
	1937-9	1957-9	1963	1964	1965	1937-9	1957-9	1963	1964	1965
	T h o u s a n d T o n s					Lb. per Head of Population				
BUTTER : Net Local Use	102	118	125	114	113	32.9	27.2	23.8	23.4	22.8
Exports	89	69	77	87	90					
Production	191	187	201	201	203					
MARGARINE Production:										
Table	3	16	16	16	22	0.9	3.6	3.3	3.2	4.5
Cooking	12	22	30	33	31	4.0	4.9	6.2	6.6	6.1
Total	15	38	46	49	53					

Receipts of wool into store (including carryover) during the four months ended October were relatively light in 1965 in the Eastern States and the Australian total of 2.55 million bales was 5.6 per cent. less than in 1964 and the lowest for many years. The volume of sales at 1.36 million bales was 7.0 per cent. less than last year and, because of this and the lower prices prevailing during the four months of 1965, the total value of these sales fell by 16 per cent. from £115 million to £97 million. The average value per pound of greasy wool sold during the four months was 55.6 pence in 1965 compared with 61.8 pence in 1964. The average net weight per bale of greasy wool at 306.8lbs. was slightly more than in 1964 (305.2lbs.) but less than in previous years.

WOOL - AUSTRALIA	July-October	1961	1962	1963	1964	1965
Received by Brokers	000 Bales	2,959	2,770	2,833	2,702	2,551
Sold by Brokers	000 Bales	1,420	1,479	1,585	1,462	1,359
Average Weight per bale sold, lb. of greasy wool		311	309	311	306	307
Total Value of Sales	£ million	99.8	100.3	134.8	115.1	96.7
Average Value per bale of greasy wool		£70	£68	£85	£79	£71
Average Value per lb. of greasy wool		54d	53d	66d	62d	56d

Because of the drought conditions, first-hand deliveries of wool into New South Wales stores (excluding Albury) during the four months ended October, at 583,000 bales in 1965, were the lowest since the early 1950's and 20.5 per cent. down on 1964 (when they were 10 per cent. less than in the previous year). Usually about half the season's total is delivered by the end of October. Total receipts (including the carryover from last season) were down by 16.6 per cent. and disposals for the four months fell by about 20 per cent. to an exceptionally low 411,000 bales. Even so, the balance in store at the end of October (at 277,000 bales) was less than at this time of previous years. Because of the lower volume of sales and the lower prices during this period of 1965, the total value of sales fell by about 30 per cent. to £27.9 million compared with a peak of £45 million for these four months of 1963.

#### WOOL STORES - Sydney, Newcastle and Goulburn - July to October

		1960	1961	1962	1963	1964	1965
First-Hand Deliveries	000 Bales	813	833	792	816	734	583
Percent. of Year's Total		53%	54%	52%	51%	46%	
Total Receipts (incl. Carryover)	000 Bales	901	894	865	890	825	687
Disposals	"	478	443	492	536	516	411
Balance in Store, End of October	"	423	451	373	354	309	277
Value of Sales in Four Months	£ million	28.6	30.8	33.5	45.0	39.9	27.9

Prices for all descriptions of wool, especially finer grades, made small gains during September and larger ones during October. The average price per pound of greasy wool sold in New South Wales (based on the composition of a full year's clip) rose from 55 pence for July and August and 56 pence for September to 59 pence for October which was about the same as the average price for the 1964-65 season. Japan continues to be the main buyer with good support from the United Kingdom, the Western and Eastern European countries and the United States.

#### WOOL PRICE, NSW, Pence per lb. greasy - Monthly Index based on Composition of Year's Clip

Season	July	August	September	October	January	May	June	Season
1956-57	65	69	75	73	79	83	79	80.5
1960-61	52	48	48	48	50	57	56	51.9
1962-63	55	52	52	54	63	63	65	59.5
1963-64	64	62	63	66	72	62	63	70.3
1964-65	63	63	62	61	55	54	54	58.8
1965-66	55	55	56p	59p				

p = Preliminary

### AGRICULTURAL PRODUCTION AND WHEAT PROSPECTS

Production of wheat in New South Wales during the 1964-65 season increased by nearly 24 per cent. to a record 151 million bushels and the average yield per acre sown was also a record at 26.3 bushels. Production of oats, barley and rice also increased between the 1963-64 and 1964-65 seasons but there was a fall in the production of maize. Citrus fruit production rose by 13 per cent. in 1964-65, following a slight drop in the previous season, but the production of most other orchard fruit was the lowest for several years. Production of potatoes, peas and beans was well below the levels of recent years.

#### AGRICULTURAL PRODUCTION IN NEW SOUTH WALES

CROP	PRODUCTION				AVERAGE YIELD PER ACRE SOWN (a)			
	1961-62	1962-63	1963-64	1964-65	1961-62	1962-63	1963-64	1964-65
	Thousand Bushels				Bushels			
Wheat (for grain)	78,350	109,002	122,472	151,483	17.4	21.8	24.7	26.3
Oats (for grain)	13,225	16,035	19,812	22,885	18.5	22.7	24.9	26.9
Barley (for grain)	4,137	5,361	5,351	6,707	20.6	24.3	25.3	28.1
Rice	7,045	7,119	7,454	8,030	140	130	126	130
Maize (for grain)	2,349	2,145	2,089	1,878	46.9	45.6	46.4	44.7
Citrus fruit	5,262	5,465	5,327	6,037	21.9	22.0	20.7	23.0
Peas and Beans	2,808	2,340	2,072	1,748	92.5	98.5	101.9	92.6
	Thousand Tons				Tons			
Sugar Cane	556	637	617	784	37.9	45.2	39.8	40.4
Hay (b)	634	622	562	576	1.64	1.73	1.91	1.87
Potatoes	83	133	98	76	4.12	4.85	4.04	3.69

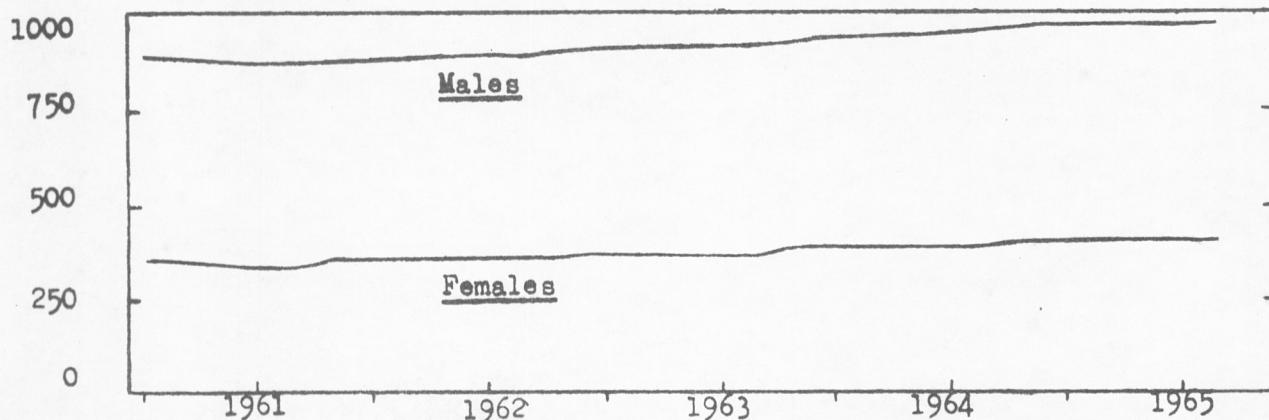
(a) Areas of land used for sowing more than one crop in a season have been counted for each crop.

(b) Made from lucerne, wheat and oats but excluding hay made from grass and pasture.

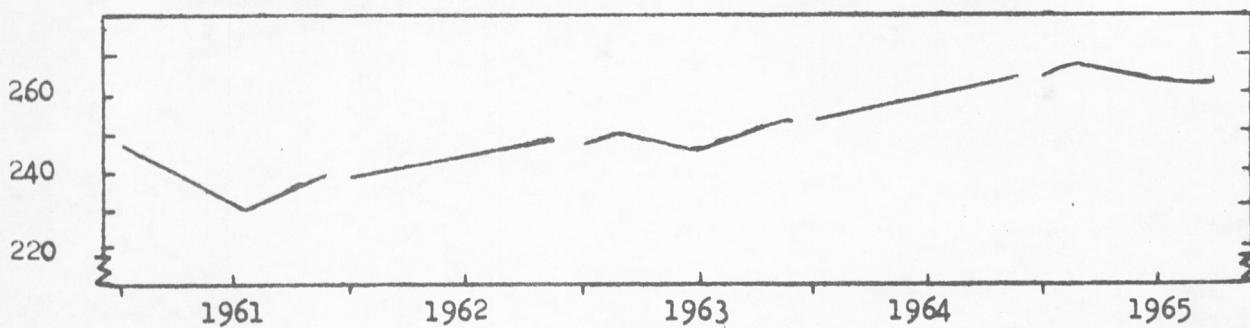
The official preliminary wheat forecast for 1965-66, issued by the N.S.W. Department of Agriculture towards the end of October, anticipated a production of approximately 40 million bushels of grain to be harvested from an area of 2.6 million acres, with an average yield of 15.4 bushels per acre. These figures represent a very substantial decline from the record levels of recent years (151m. bush. in 1964-65 and 122m. bush. in 1963-64) and would be the lowest recorded since 1957-58. The forecast also stressed that favourable weather during the rest of the season was required to enable production to reach the predicted level, and there has been a slight deterioration in prospects since then.

The Australian Wheat Board expects deliveries from the 1965-66 Australian wheat harvest to be about 215 million bushels. If this is added to about 25 million bushels which might be retained on farms for seed and stock-feed, the 1965-66 Australian wheat harvest could be about 240 million bushels. Again this compares very unfavourably with the 1964-65 harvest of 370 million bushels and the 328 million of 1963-64.

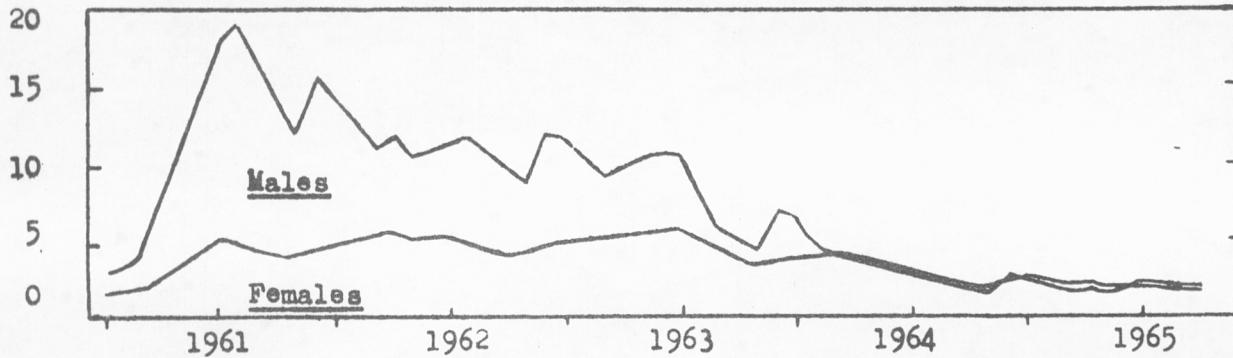
## WAGE AND SALARY EARNERS IN CIVILIAN EMPLOYMENT (Thousand)



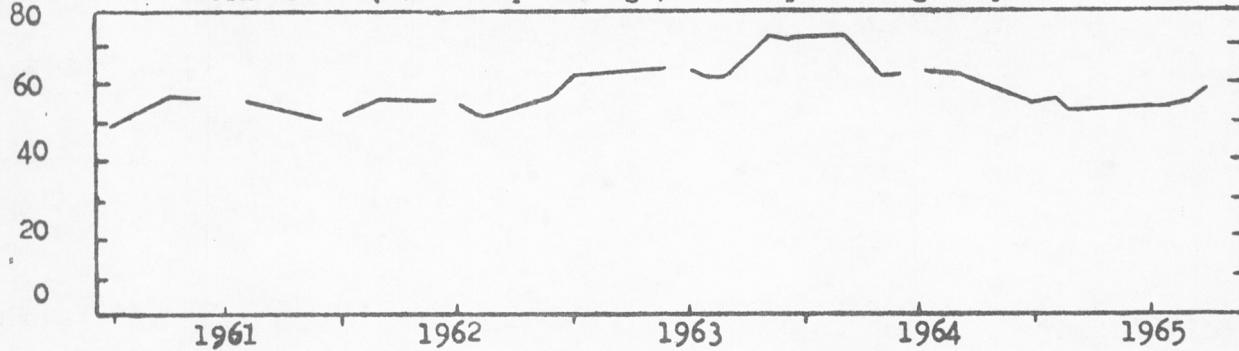
## EMPLOYMENT IN LARGER PRIVATE FACTORIES (Thousand Persons)



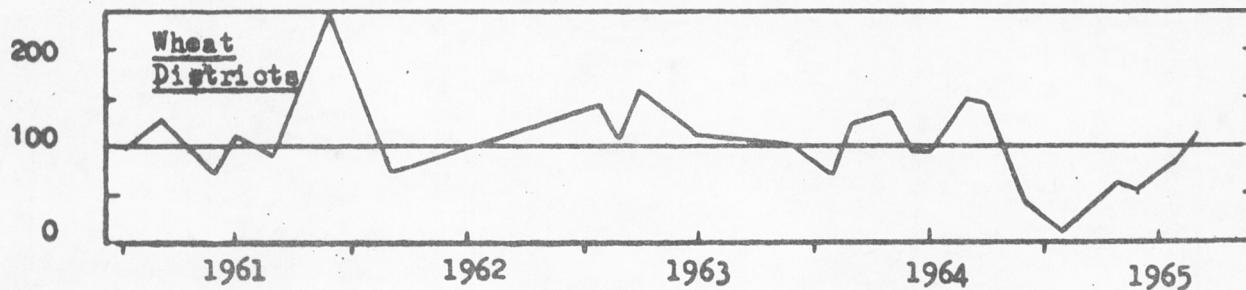
## NUMBER OF PERSONS RECEIVING UNEMPLOYMENT BENEFIT (Thousands)



## WOOL PRICE (Full-Clip Average) Pence per lb. greasy

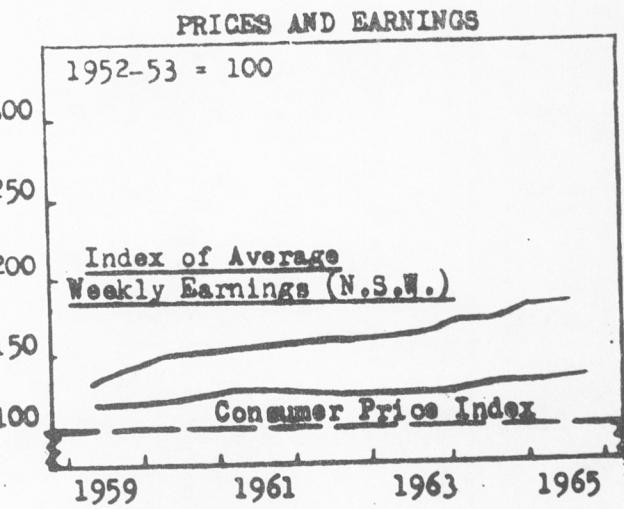
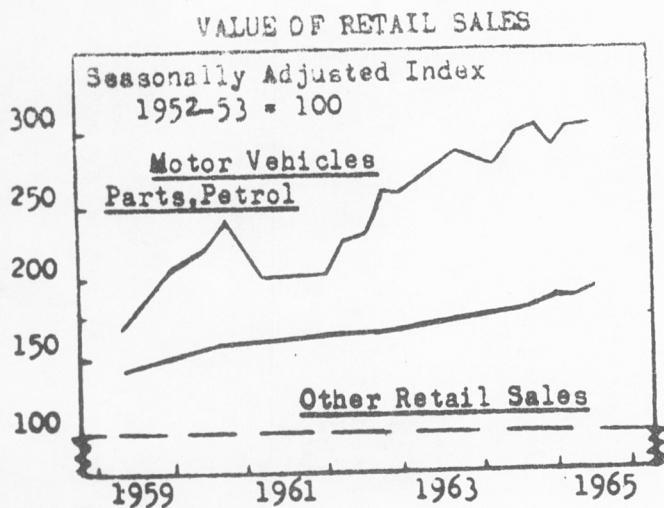
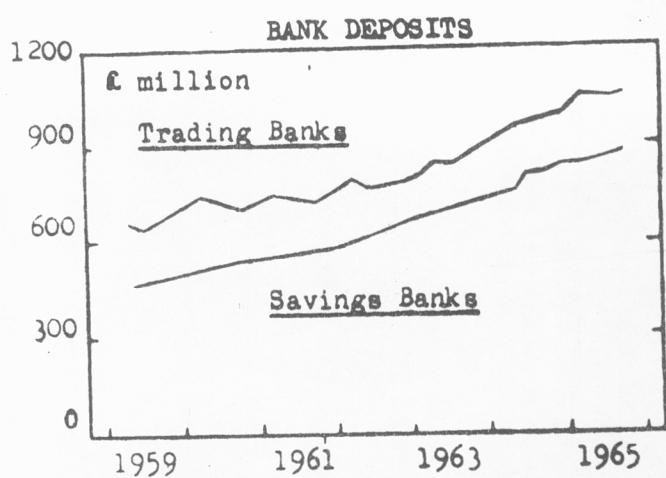
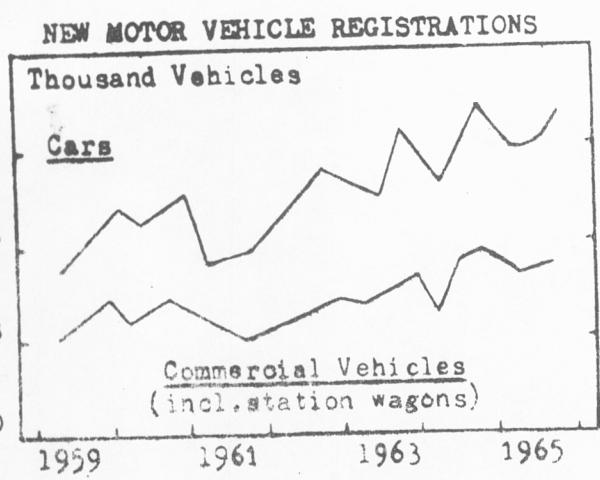
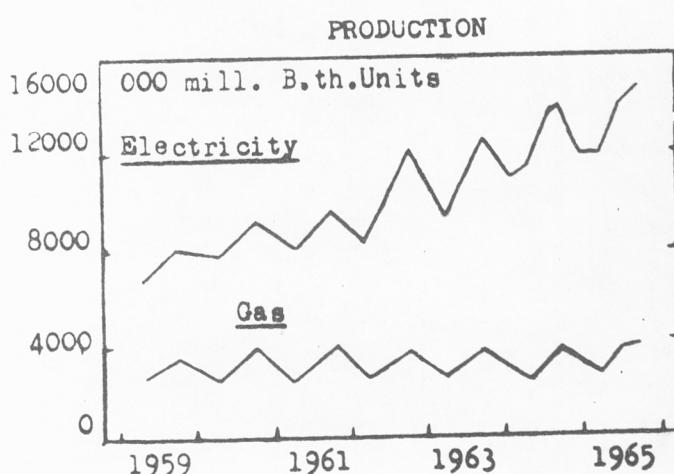
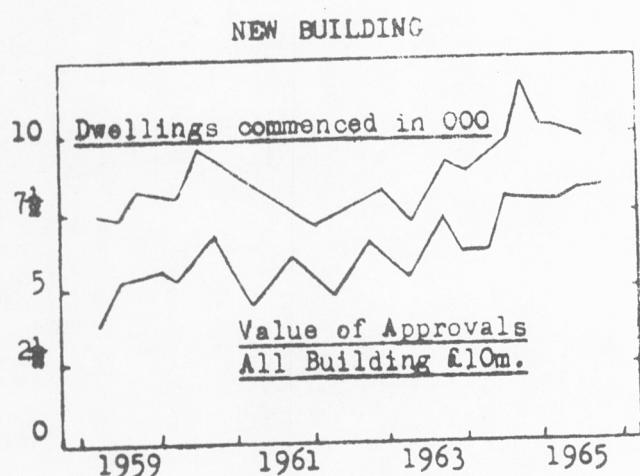
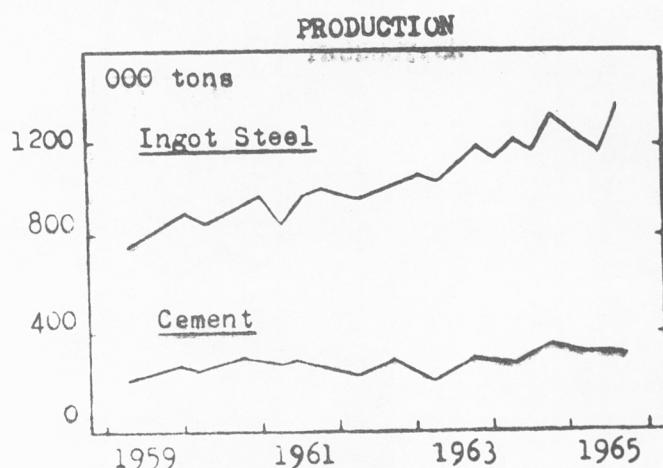
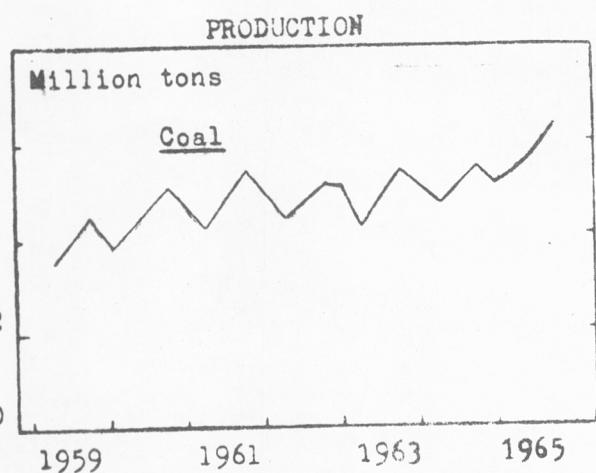


## RAINFALL INDEX, NORMAL RAINFALL = 100 (Three Months Moving Average)



Series commence in January, 1961 and extend to October, 1965.

## QUARTERLY SERIES, NEW SOUTH WALES



Series commence in March quarter 1959 and extend to September Quarter, 1965